

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 04 LILONGWE 000913

SIPDIS

AIDAC

USAID FOR DCHA/FFP LANDIS, ANDERSON, MUTAMBA, PETERSEN
USAID FOR DCHA/OFDA ISAACS, GOTTLIEB, MARX, PRATT
USAID FOR AFR/SA LOKEN, COPSON
DEPT FOR AF/S, INR/GGI, PM/ISP
NCS FOR MELINE
PRETORIA FOR DISKIN, HALE, SINK, AND USDA/REYNOLDS
NAIROBI FOR ESTES, DEPREZ
GABORONE FOR BROWN, KHUPE
HARARE FOR PATTERSON, REED
MAPUTO FOR POLAND
ROME FOR FODAG NEWBERG, BROOKS

E.O. 12958: N/A

TAGS: [EAID](#) [ECON](#) [EAGR](#) [MI](#)

SUBJECT: MALAWI SITUATION REPORT AND FY 2006 DISASTER
DECLARATION FOR GROWING FOOD SECURITY CRISIS

REF: LILONGWE 000514

SUMMARY

1. This cable re-declares a disaster for FY 2006 in Malawi due to food insecurity and provides an update on the situation. Per reftel, it is estimated that over four million Malawians (more than one-third of the population) will be unable to meet their food needs over the next six months, until the next harvest arrives. This is due to a poor 2005 harvest, rising food prices, and reduced purchasing power combined with chronic issues of increasing poverty and high HIV/AIDS prevalence. Field visits by Mission and regional DCHA staff to two districts in the south have confirmed that food security is deteriorating. People in affected areas have employed coping mechanisms such as gathering wild foods and selling firewood much earlier than usual in the hunger season. Nutritional status is also deteriorating earlier than expected. Additional emergency donor assistance will be required, particularly in the areas of food access, livelihoods/agricultural recovery, and health/nutrition.

2. The Chief of Mission has determined that there is a growing food security crisis in Malawi of sufficient magnitude to warrant a disaster declaration. Per reftel, the crisis is beyond the Government of Malawi's (GOM) capacity to adequately respond, the GOM has requested international assistance, and it is within the US national interest to respond. End summary.

ACUTE PHASE OF A CHRONIC CRISIS

3. The United Nations (UN) states that Southern Africa is entering "an acute phase of a chronic crisis". Even more so than some other countries in the region, most rural households in Malawi, plagued by extreme poverty, high disease prevalence and limited livelihood opportunities, are extremely vulnerable to shocks. Even in good years most smallholder households struggle to get by through a combination of own production, casual labor (ganyu) on wealthier farms or estates, informal trading and/or remittances. Shocks such as erratic rainfall, rising food prices, or reduced ganyu opportunities can thus easily push these households over the edge and into a food security crisis.

4. This year Malawi is facing all three of these shocks. The 2005 main harvest was the worst since 1994, due to a combination of poor rainfall and, according to some sources, insufficient availability of fertilizer. Southern Region, the most densely populated part of the country, is the most affected area. At present, nearly all smallholder rural households in the south have consumed their harvests and are relying on informal trading and casual labor for money to purchase food. Observations from the USAID team's field visit confirm that the hunger season in Malawi is progressing more rapidly than usual. Households are already showing signs of stress, such as relying on the consumption of wild foods and mangoes, reducing the number of meals eaten per day, and selling assets. While some households will benefit from winter crop production, the winter season was also adversely affected by low residual moisture.

MOVING TOWARDS MVAC SCENARIO TWO

15. The Malawi Vulnerability Assessment Committee (MVAC) report released in June 2005 estimated "missing food entitlements" under two different scenarios. In the first scenario, maize prices were assumed to rise at the current rate of inflation (peaking between 19-23 kwacha/kg), and the population-at-risk was estimated at 4.2 million people requiring 270,000 MT of food. The second scenario assumed maize prices rising to South African import parity levels (between 31-40 kwacha/kg) with a population-at-risk of 4.6 million requiring 434,000 MT of food.

16. Data provided by FEWSNET, as well as recent market visits by the USAID assessment team, indicate that market prices for maize (nearly all of which has come through informal trade channels from Mozambique) in southern Malawi are approaching "scenario two" levels, and are significantly higher than the same time last year. This is an indication that supplies are more constrained than last year, even on the Mozambican side of the border.

RISING MALNUTRITION

17. Evidence indicates that nutritional status amongst affected populations is deteriorating in Malawi. According to UNICEF, admissions to Nutritional Rehabilitation Units (NRUs), which treat severe malnutrition, are 29 percent higher than at the same time in 2004. Action Against Hunger's (AAH) latest nutritional surveillance report also indicates that children are "appreciably thinner" based on z-scores than at the same time last year.

18. The USAID team visited NRUs in Nsanje and Phalombe districts. Numerous patients exhibited edema, an indicator of kwashiorkor and resulting from inadequate protein and other nutrients in the diet. This raises concerns about the content of the household food rations being distributed by the WFP and DFID, which currently consist only of maize. WFP's plan does call for distribution of cereals, pulses and vegetable oil, but this will not start until November due to pipeline constraints. DFID initially did not plan to distribute commodities other than maize, but discussions are ongoing for DFID to purchase some pulses through WFP or to lend from WFP. The outcome of these discussions is not yet clear.

19. The MOH, UNICEF, and its partners plan to conduct nutritional surveys in November in the worst-affected districts. While the surveys will provide better information on the situation, improved outreach to identify malnourished children, particularly in the immediate term, is a concern. According to staff at the NRUs, most patients are referred to the NRU from health clinics, or self-reported by parents. Although MOH Health Surveillance Staff also refer cases, capacity is extremely limited. Given the likely deterioration in nutritional status over the next few months, outreach activities and referral systems should be strengthened to ensure that cases are identified and treated as early as possible.

UPCOMING PLANTING SEASON

10. Although access to sufficient inputs is a chronic problem in Malawi, this year's bad harvest further depleted farmer's resources (seeds, cash, etc.), making it difficult for them to recover. Although nearly all farmers have prepared their fields in anticipation of planting in November, many of them do not yet have seeds or fertilizer. Unfortunately, most farmers are counting on accessing fertilizer through a government-sponsored fertilizer subsidy scheme (see para 13).

11. While UNDP is seeking some USD 34 million for maize seed and fertilizer for 2 million farmers as part of the Flash Appeal, many people do not feel this approach is either sustainable or appropriate. What may be more appropriate at this point is support to short-cycle crops, small-scale irrigation, and the 2006 winter cropping season. In addition, better coordination of ongoing agricultural support activities is needed. Information on the relief community's plans to assist farmers in the agricultural/livelihoods sector is currently lacking (who is doing what, where, etc.).

EMERGENCY RESPONSE TO DATE

12. Apart from the GOM, a number of donors have contributed to the humanitarian response. Major contributors are USAID, EU, United Kingdom-DFID, World Bank, Norway and Japan. The USG through the Office of Food for Peace is planning to provide at least 30,000 MT

of food of which 20,000 MT has arrived or is not its way to Malawi. A five year USAID development assistance program through a consortium of 9 NGOs is providing a further 12,000 MT of food. Late September, the GOM purchased an option on the South African exchange market (SAFEX) to import an additional 60,000 MT of maize. As of October 1, total contribution to the humanitarian effort is close to 255,000 MT. Now that scenario 2(424,000 MT) is likely, this leaves an unmet humanitarian gap of some 169,000 MT. Further urgent food assistance is required.

The government parastatal, ADMARC, continues to supply maize to people at the subsidized price of MK 17/kg. However, maize availability at ADMARC depots has been sporadic and insufficient, and their national stocks are reportedly nearly exhausted. In addition, monitoring is insufficient to ensure that the subsidized maize reaches the most vulnerable households. The USAID team heard of traders re-selling maize from ADMARC depots at the higher prices found in the markets in southern Malawi.

13. The GOM also plans to assist smallholder farmers through a voucher scheme to subsidize the cost of fertilizer. However, sufficient stocks of fertilizer have reportedly not yet arrived in-country, resulting in concern that farmers will not receive the fertilizer in time for planting, as happened in the 2004/2005 season. In Phalombe District, the MOA stated that only 8,200 bags of fertilizer had been received to date out of some 79,000 MT expected for the district.

14. The UN issued a Flash Appeal on August 30 for some USD 88 million. The appeal was revised last week to include an additional request of USD 10 million for nutrition activities, USD 1.7 million for water and sanitation, and USD 300,000 for additional protection activities. According to the UN, contributions toward the appeal total some USD 50.9 million to date. (Comment: The UN appeal was a surprise and involved little consultation with stakeholders. The overall impression is that, despite previous discussions regarding the upcoming hunger season and recovery needs, little planning was done by the UN or implementing partners to assess or respond to anticipated needs in sectors other than food aid. The international community is now forced to play catch-up given the rapid deterioration of the situation in recent weeks. End comment.)

15. In the food sector, however, response capacity is much improved over the crisis in 2001-2002. The World Food Program (WFP) and its NGO partners have an emergency distribution capacity already in place. DFID is also supporting the GOM's voucher scheme to provide food to vulnerable households in districts not targeted by WFP. However, the level of resources provided thus far, for both food aid and other responses, has not been adequate, and more support is needed to ensure that we avoid a repeat of the 2002 crisis.

USAID RESPONSE TO DATE

16. In FY 2005, USAID provided close to 35,000 MT in food aid through its pipelines with WFP (24,360 MT) and the PVO consortium, I-LIFE (10,530 MT). In addition, I-LIFE is carrying out demand-driven food for work activities aimed at creating productive assets and infrastructure (e.g. roads and community small-scale irrigation- ponds, dams and canals). I-LIFE is also doing healthy and nutrition interventions in the 8 districts. USAID has also provided USD 400,000 to UNICEF for nutritional surveillance and rehabilitation activities in response to the Flash Appeal.

17. Staff from USAID/Malawi and USAID/DCHA traveled to Southern Region from August 28 to September 4, 2005 and October 3-6 to assess the situation and discuss response plans with potential partners. The Mission will continue to closely monitor the situation and consider additional response activities as appropriate.

EASTHAM